

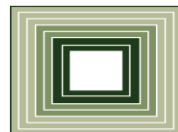
# Office of Administrative Hearings

## *Agency and Budget Overview*

**Joint Meetings of House and Senate Appropriations  
Committees on General Government**

**Susie Camilleri**

**March 2021**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# Outline

- Department and Budget Overview
  - Statutory Duties & Responsibilities
  - Budget Overview
- Agency Divisions
- Recent Legislative Actions

# Statutory Laws and Responsibilities

- Chapter 7A, Article 60
  - Creates the Office of Administrative Hearings (OAH) as an Independent, quasi-judicial agency
  - Assigns the Chief Administrative Law Judge as the director, who is appointed by Chief Justice of the NC Supreme Court
  - Establishes the Civil Rights Division under OAH
- G.S. 143B-30.1
  - Creates the Rules Review Commission under OAH
- Chapter 150B, Administrative Procedures Act
  - Establishes a uniform system of rule making

## Agency Budget In Context (FY 2020-21 Authorized)

Agency	Requirements	Receipts	Net Appropriation	Req. %	FTE
Department of Administration	\$ 65,350,938	\$ 10,066,722	\$ 55,284,216	9.3%	346
Office of State Human Resources	9,271,905	194,801	9,077,104	1.3%	64
Ethics Commission	1,094,239	69,700	1,024,539	0.2%	10
Office of Administrative Hearings	7,800,795	1,260,671	6,540,124	1.1%	56
Office of State Auditor	21,323,117	6,514,703	14,808,414	3.0%	160
Office of State Budget & Management	8,897,138	131,780	8,765,358	1.3%	55
OSBM Special Appropriations	8,603,000	-	8,603,000	1.2%	0
Office of the State Controller	26,556,359	814,142	25,742,217	3.8%	167
State Board of Elections	7,706,808	102,000	7,604,808	1.1%	66
NC General Assembly	74,667,502	561,000	74,106,502	10.6%	540
Office of the Governor	6,475,569	898,760	5,576,809	0.9%	52
Housing Finance Agency	30,660,000	-	30,660,000	4.4%	0
Department of Insurance	51,906,578	8,358,700	43,547,878	7.4%	452
NC Industrial Commission	23,210,603	13,567,849	9,642,754	3.3%	146
Lieutenant Governor	927,695	-	927,695	0.1%	7
Department of Military & Veterans Affairs	68,987,631	59,415,186	9,572,445	9.8%	92
Department of Revenue	172,477,966	80,698,497	91,779,469	24.6%	1463
Department of Secretary of State	14,988,522	362,357	14,626,165	2.1%	179
Department of State Treasurer	67,840,591	62,895,934	4,944,657	9.7%	398
DST - Line of Duty Benefits	33,220,423	1,200,000	32,020,423	4.7%	0
<b>TOTALS</b>	<b>\$ 701,967,379</b>	<b>\$ 247,112,802</b>	<b>\$ 454,854,577</b>	<b>100.0%</b>	<b>4,253</b>

Source: Fiscal Biennium 2021-23 Base Budget Worksheet Is, Office of State Budget & Management

# General Fund Budget Overview

Office of Administrative Hearings General Fund Budget Summary (18210)				
	FY 2019-20 Actual	FY 2020-21 Certified	FY 2020-21 Authorized	FY 2021-22 Base
<b>Requirements</b>	7,120,258	8,243,049	7,800,795	7,921,704
<b>Receipts</b>	1,170,299	1,702,925	1,260,671	1,260,671
<b>Net Appropriation</b>	5,949,959	6,540,124	6,540,124	6,661,033
<b>FTE</b>	58.29*	55.79	55.79	55.79

\*Includes Rules Review Commission member per diem as 2.5 FTE

**Source of Receipts:** Medicaid reimbursements for mediation and hearing disputes involving Medicaid recipients

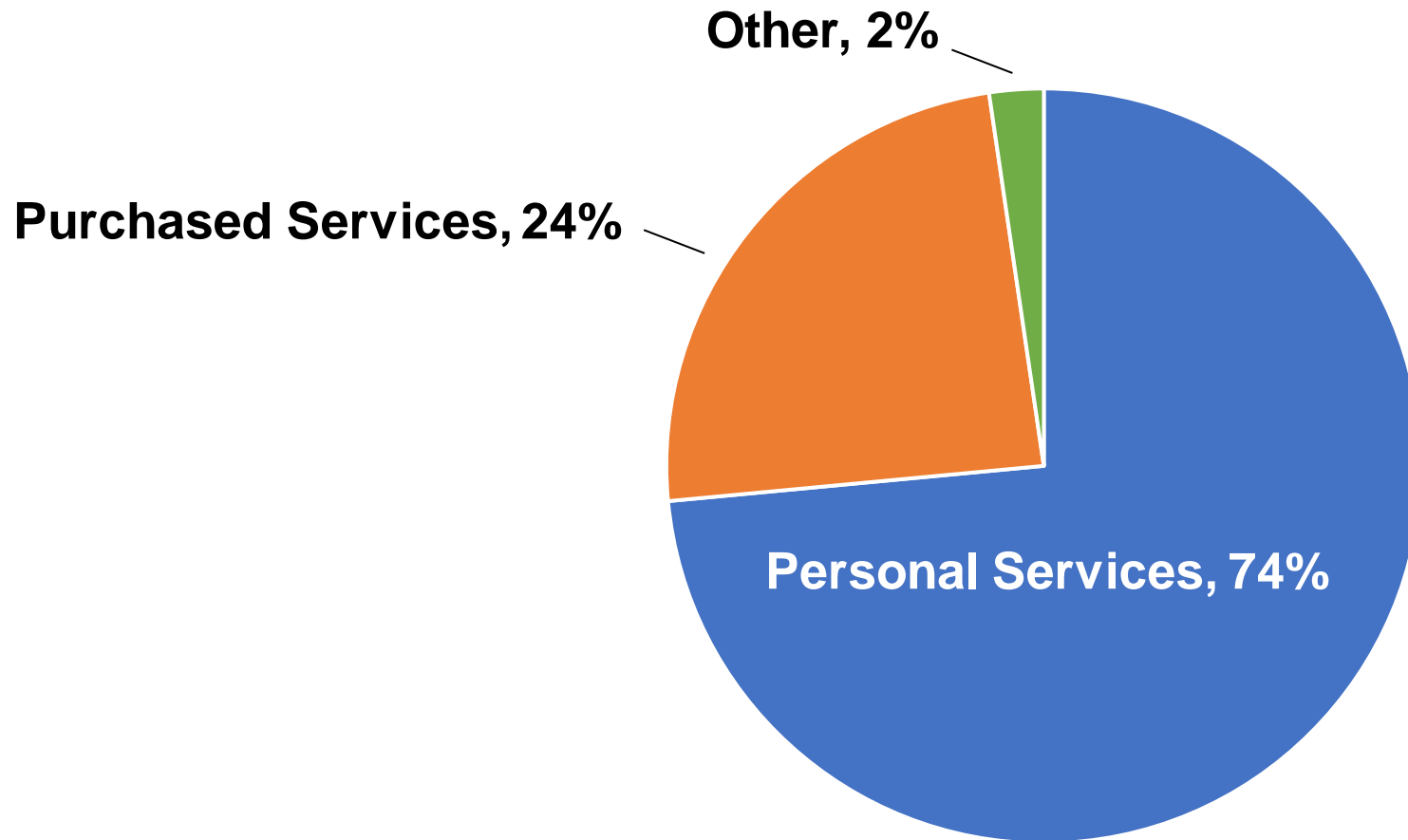
# General Fund Budget History

Office of Administrative Hearings General Fund Budget History (18210)							
	FY 2015-16 ACTUAL	FY 2016-17 ACTUAL	FY 2017-18 ACTUAL <sup>1</sup>	FY 2018-19 ACTUAL	FY 2019-20 ACTUAL	FY 2020-21 Certified	FY 2020-21 Authorized
Requirements	6,697,779	6,811,299	7,179,704	7,356,833	7,120,258	8,243,049	7,800,795
Receipts	1,937,775	2,025,219	1,524,110	1,596,836	1,170,299	1,702,925	1,260,671
Net Appropriation	4,760,004	4,786,080	5,655,594	5,759,997	5,949,959	6,540,124	6,540,124
Reversions	429,807	559,878	338,999	420,053	386,225	n/a	n/a
Reversion % of Net Approp.	9%	12%	6%	7%	6%		
FTE	45	45	55.79	55.79	58.29	55.79	55.79

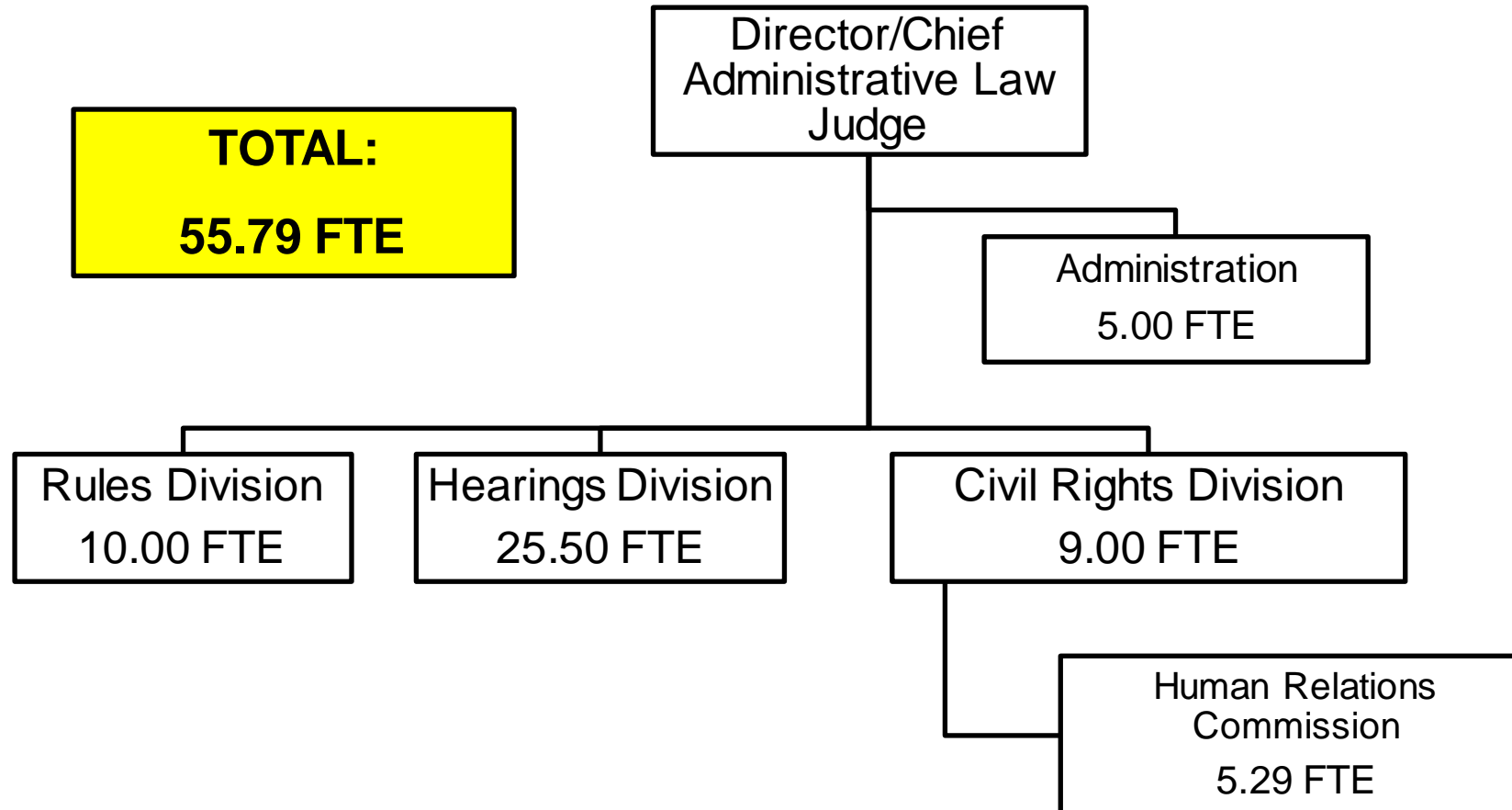
<sup>1</sup>Human Relations Commission transferred to OAH.

# **General Fund Requirements**

## **Base Budget FY 2021-22**



# Organizational Chart



# **Rules Division**

- Administers the rule making process throughout State government
- Publishes the North Carolina Register (NCR) and North Carolina Administrative Code (NCAC)
- Staffs the Rules Review Commission (RRC)
- Has oversight over periodic review and expiration of existing rules (Regulatory Reform Act of 2013)
  - Requires agencies to review all codified rules every 10 years

# Hearings Division

- Administrative law judges (ALJ) hear disputes and provide impartial resolutions between state agencies and citizens
- Separate process for Medicaid recipient appeals
  - Medicaid cases transferred to OAH in 2008
  - All cases referred to mediation and heard by a Medicaid ALJ if needed
- As of 2012, decisions by ALJs are final (S.L. 2011-398)
  - Resolutions no longer returned to agency for final decision
  - May be appealed to courts

# **Civil Rights Division**

- Investigates employee claims of employment discrimination
  - Can be current/former employees covered by the State Human Resources Act
  - Title VII of the Civil Rights Act, Americans with Disabilities Act (ADA), Age Discrimination Employment Act (ADEA)
- Human Relations Commission (HRC)
  - Enforces the State Fair Housing Act (G.S. 41A)
  - Manages the Department of Housing and Urban Development's Fair Housing Assistance Program

# Recent Legislative Actions

## FY 2017-19 Biennium

- The Human Relations Commission transferred from Department of Administration to OAH (S.L. 2017-57)
  - Provided nonrecurring funds for office renovations related to the transfer
- S.L. 2019-140
  - Amended the periodic rule review process
  - Ensures every state rule is thoroughly vetted during the review process

# Questions?

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